

# BuffaloNews.com



Chris Collins said layoffs are a "distinct possibility."  
Derek Gee / News file photo

## Collins calls for 20 percent cut in budgets

By **Matthew Spina**

Published: July 27, 2010, 8:35 AM

[o Comments](#)

Updated: July 27, 2010, 3:17 PM

County Executive Chris Collins has asked Erie County department heads to cut their budgets by 20 percent for 2011, a challenge likely to trigger layoffs and curtail services performed by a government that had been in fine shape.

He said the cuts will extend to the support Erie County gives libraries and the dozens of cultural and public benefit agencies, which, in the Collins years, already compete for smaller outlays of taxpayer dollars.

Safety-net programs supported largely by the federal government -- food stamps, Medicaid and the Home Energy Assistance Program, for example -- will remain unscathed.

Collins expects he also will largely spare the Jail Management Division, where state regulators set staffing levels and the county faces a Justice Department lawsuit to force improvements. And he will protect spending mandated by contracts, such as the taxpayer support that flows annually to the Buffalo Bills and Ralph Wilson Stadium.

He called the layoffs of county employees "a distinct possibility" as he tries to close a \$36 million deficit that recently appeared in his financial plan for 2011.

The county executive must propose a budget to the Legislature by Oct. 15, so he must make his best assumptions during this year's tenuous summer months.

"I am giving you worst-case," Collins said when interviewed Monday about the scenario for next year. "But I don't think it's fair to pull any punches ... if people prepare for the worst, and over the next 75 days we get good news out of Washington or on the sales tax, then the cuts don't have to be as deep."

A recent dive in sales tax revenue startled Collins and his budget team, and they now project that property tax income will fall short of next year's projections.

Collins and his budget officials had expected that the taxable value of properties countywide would continue to grow by 4 percent a year, giving them more property tax income each year without hiking the property tax rate.

However, budget officials now know that taxable values countywide have grown 1.4 percent for 2011, giving the government \$6 million less than expected. Further, while sales tax income was running 2.6 percent better than budgeted this year, a state adjustment this month swung Erie County 2.6 percent below budget so far in 2010.

While Collins says he can still balance this year's budget, sales tax and property tax income are now out of kilter by a projected \$16 million for 2011.

Meanwhile, the federal stimulus program that helps counties pay their Medicaid expenses and let Erie amass a \$44 million surplus for 2009 may end in the federal fiscal year that begins Oct. 1. The stimulus program, still the subject of Senate wrangling, would have given Erie County \$20 million in 2011.

Budget officials expect state aid to remain wobbly. Because the state only slowly reimburses Erie and other counties for social programs, the county will soon secure a bridge loan, months earlier than planned. The state-appointed control board voted Monday to sell \$45 million in one-year notes and arrange a \$20 million line of credit to help the county meet near-term expenses.

Collins' aides figure the public would rather see cuts in spending than higher taxes to close a deficit. So he will avoid a tax hike, especially when he's running for re-election in 2011. All 15 county lawmakers will face election next year as well. None will want to touch the property tax rate, now \$5.03 for every \$1,000 of assessed value before special charges that vary among towns and cities.

Why not spend some of county government's ample reserve? Collins said he already has devoted \$18 million of "fund balance" to pay off debt incurred for Erie County Medical Center, and without it the 2011 problem would have been worse.

Former County Executive Joel A. Giambra started tapping reserves early in the last decade, and as the economy worsened, the "rainy day" fund had been drained by

2005. Now, the County Charter mandates the government hold at least 5 percent of its budget in reserve, or around \$50 million.

Inside the government, a sense of concern spread Monday among managers and employees amid news of the 20 percent goal. The government has let out its belt since the budget meltdown of 2004-05 -- adding new equipment and employees, including patronage hires. But many officials feel they are doing more with a work force smaller than those found in similar-sized counties.

"The Erie County District Attorney's Office is, without question, the most cost-efficient prosecution office in the state," District Attorney Frank A. Sedita III said a couple of hours before being warned, by e-mail, of the 20 percent challenge. Sedita said he has 88 prosecutors, while Westchester County has 124.

Budget Director Gregory G. Gach sent out e-mails Monday explaining that "due to worsening budget conditions, I have had to revise the 2011 budget targets." Throughout many departments, the 20 percent cut is concentrated on the payroll, or the "personal services" category of spending.

For example, Sedita's main personal services account would have to shrink from \$7.6 million this year to \$6.07 million next year. Sedita said he hopes Collins continues to take a reasonable view of the demands placed on the DA's office, which must provide prosecutors to the courts.

The Legislature will not be spared. It would have to cut about \$400,000 next year from an approximately \$2 million payroll. But lawmakers' base salaries are set by county law at \$42,588 a year. The cuts likely would lead to layoffs among the support staff.

"I can tell you, the word has gotten out, and the employees are worried," said Comptroller Mark C. Poloncarz. His department maintains the accountants who pay the county's bills. Personal services spending in the Comptroller's Office would fall by about \$470,000.

Poloncarz had warned of flaws in Collins' four-year financial plan. Still, he said the recent sales tax adjustment was surprising, and he did not fault Collins for his worries about 2011.

However, Poloncarz asked, is a 20 percent across-the-board cut realistic? He said he did not see how some departments, the sheriff's road patrol unit, for example, could absorb it.

"Just to come out and say we are going to cut 20 percent sounds wonderful. But what is the impact of that?" Poloncarz said. "In the end, we do have to deliver services."

Collins said he spoke directly to Library Director Bridget Quinn-Carey to tell her that cuts in county support are looming.

Quinn-Carey on Monday did not want to say how the system might adjust. "Without a

solid number, we really don't want to get people upset," she said.

[mspina@buffnews.com](mailto:mspina@buffnews.com)

---

## Comments

---

**There are no comments on this story.**

Copyright 1999 - 2010 - The Buffalo News copyright-protected material.